

California Energy Action Plan

Joint Agency Energy Action Plan Meeting

Goal II – *Accelerate* the State's Goal for Renewable Resources

Tim Tutt

California Energy Commission



March 2, 2004

Renewables Portfolio Standard

Energy Commission released 3 draft Guidebooks in Feb '04 translating decisions into proposed implementation guidelines

- *Renewables Portfolio Standard Eligibility Guidebook*
- *New Renewable Facilities Program Guidebook*
- *Updated Overall Guidebook for the Renewable Energy Program*

California Energy Action Plan

Renewables Portfolio Standard Eligibility Guidebook - DRAFT

- Describes proposed RPS eligibility requirements for in-state and out-of-state facilities
- Outlines proposed process for certifying renewable resources as eligible for the RPS and SEPs
 - Facilities eligible for RPS may also be eligible for SEPs
- Describes proposed interim tracking system to track and verify compliance with RPS

California Energy Action Plan

New Renewable Facilities Program Guidebook - DRAFT

- Proposes how to qualify for and receive SEPs for above-market costs of renewables procurement under RPS.
- Facilities would be certified as eligible to meet RPS and be “new” - either commenced operation or re-powered on or after 1/1/02.
- Applicants would participate in RPS solicitations by IOUs.
- Winning bidders with CPUC-approved power purchase contracts may receive SEPs.

California Energy Action Plan

Overall Program Guidebook – DRAFT

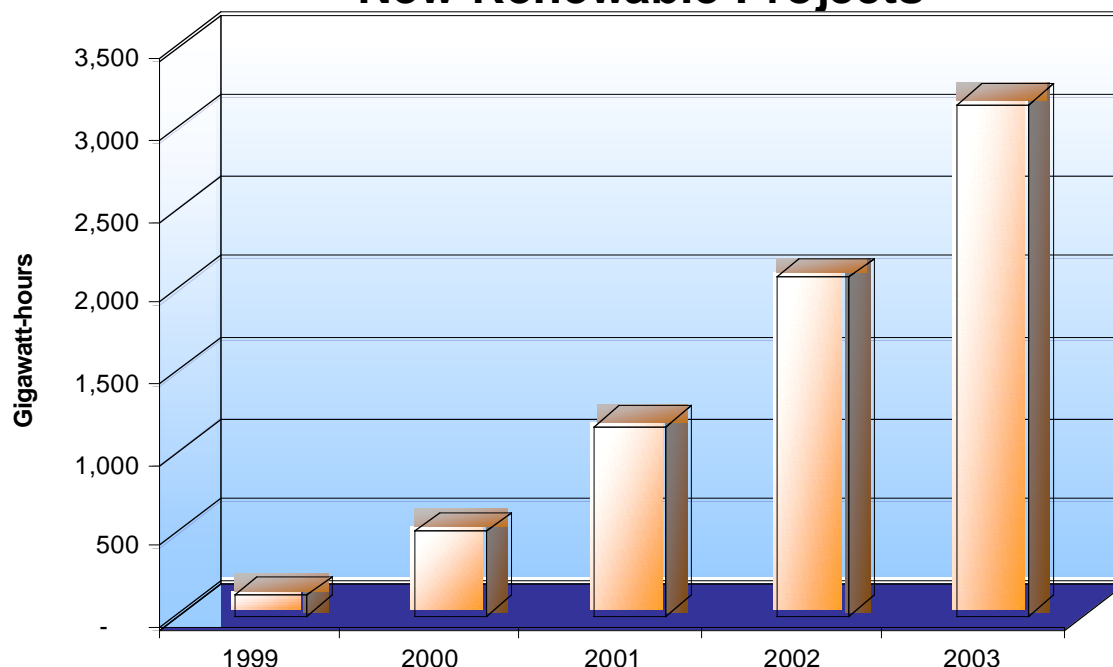
- Updated to reflect the RPS implementation through the Renewable Energy Program.
- To qualify for funding or RPS certification, applicants must satisfy requirements in *Overall Guidebook* and applicable program *Guidebook*.

California Energy Action Plan

New Renewables from the Renewable Energy Program

- Eight new facilities (185 MW) came on-line in 2003, bringing new renewable capacity on-line to 429 MW.
- Almost two-thirds (63%) of the new renewable projects participating in the program are on-line (45 out of 71).

Cumulative Generation from New Renewable Projects



RPS Integration Costs

SB 1078 states that the CPUC shall:

“...adopt, by rule, for all electrical corporations... A process that provides criteria for the **rank ordering and selection of least-cost and best-fit renewable resources** to comply with the annual California Renewables Portfolio Standard Program obligations on a **total cost basis**. This process shall consider estimates of **indirect costs** associated with needed transmission investments and ongoing utility expenses resulting from **integrating** and operating eligible **renewable energy resources.**”

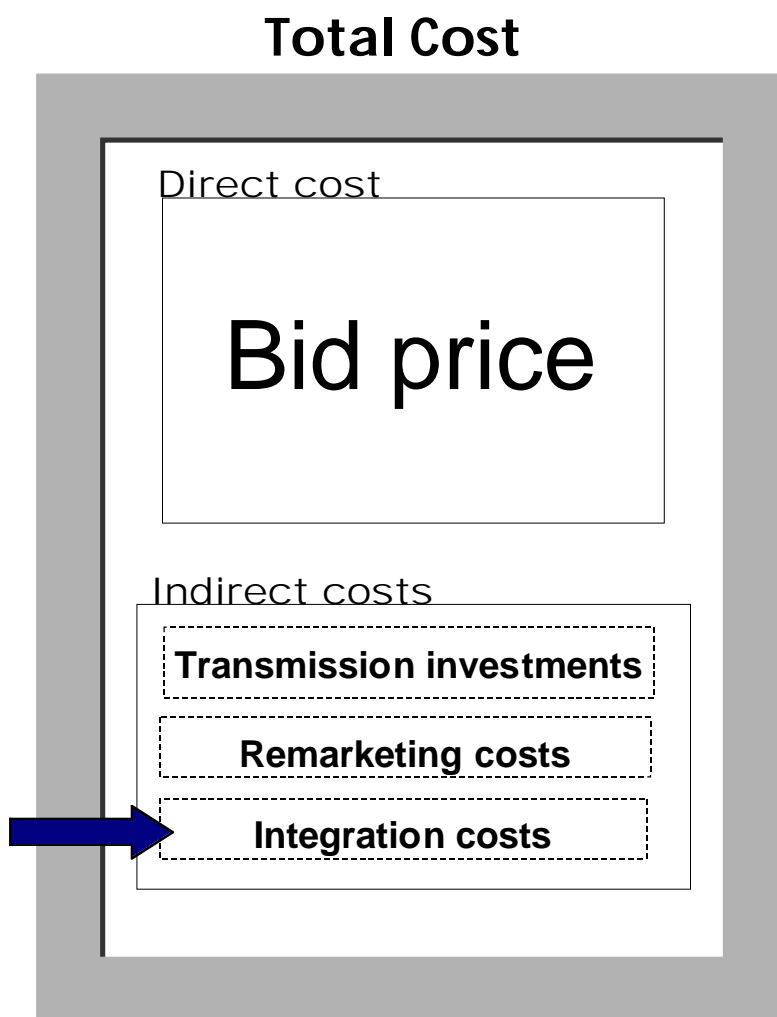
CPUC Decision: June 2003

“The Results of Phase I of the CEC integration study will reveal the integration impacts of present generation in specified areas. **These results can act as a proxy for the integration cost effects of adding new resources in those same areas, if Phase II results are not available prior to the first RPS solicitation ...”**

Decision 03-06-071, pp 32-33

RPS Integration Cost Phase I

- **Renewable Generation Integration Cost Analysis**
- **Phase I: One Year Analysis Of Existing Resources**



California Energy Action Plan

RPS Integration Cost Analysis Timeline – Phase I

Phase I

- **Develop integration cost analysis methodologies**
 - *Capacity Credit*
 - *Load Following*
 - *Regulation*
- **Apply methodology to a one year analysis of existing renewable and non-renewable generation in California**

April 23, 2003

Report: Released proposed analysis methodology

April 29, 2003

Workshop: Presentation and discussion of proposed analysis methodology

September 12, 2003

Workshop: Presentation and discussion of methodology and findings of 2002 California analysis

**October 9, 2003 to
October 24, 2003**

Public review of draft report

December 10, 2003

Report: Release of final report of Phase I results and recommendations

February 20, 2004

Workshop: Solicit input on Phase I Report results and findings

March 17, 2004

Adopt Phase I Report results and findings

California Energy Action Plan

Western Renewable Energy Generation Information System: **WREGIS**

SB 1078 states that the Energy Commission shall...

"...design and implement an accounting system to verify compliance with the renewables portfolio standard by retail sellers, to ensure that renewable energy output is counted only once for the purpose of meeting the renewables portfolio standard of this state or any other state, and for verifying retail product claims in this state or any other state."

Overview of WREGIS

- WREGIS is intended to be a database of information
- Analogy: Operates as a banking system for renewable certificates
- Geographic Scope: Western Electricity Coordinating Council (WECC)
- Forum for data exchange with other states in the WECC to prevent double counting

California Energy Action Plan

WREGIS timeline

April 25, 2003

Energy Commission and WGA discussed working together to establish a regional tracking system

May 13, 2003

Workshop: Received public support of a regional system

August - Sept 2003

Needs Assessment Survey

October 2003

Draft Needs Assessment Report released

October-November 2003

Six stakeholder workshops held to solicit input on draft recommendations

December 2003

Released final Needs Assessment Report

December 2003

Established stakeholder advisory committees

January 2004

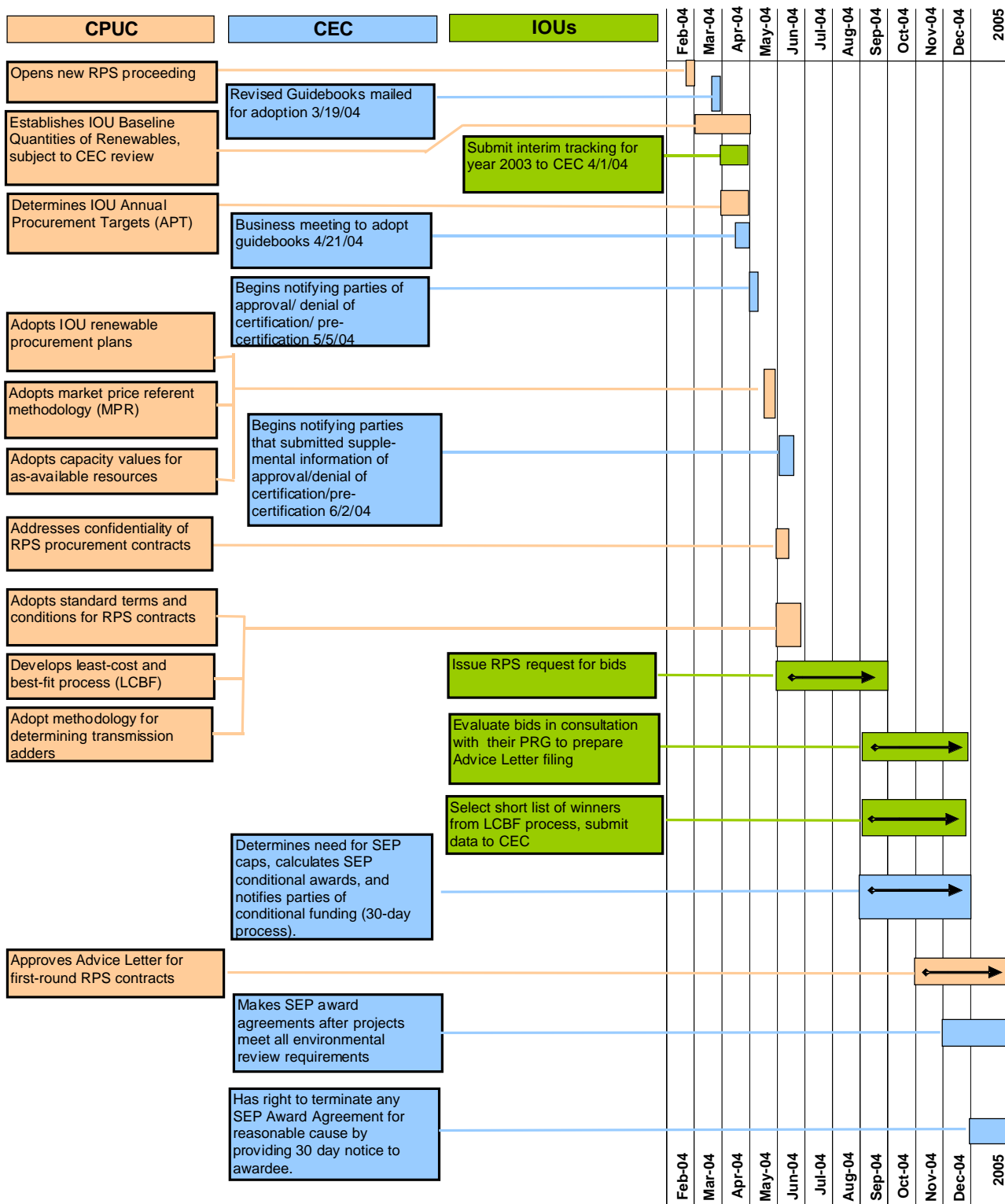
WREGIS implementation committee kickoff meeting

To develop regional tracking system, Energy Commission is working with Western Governors Association (WGA) to:

- Prevent double counting of renewable energy output
- Achieve economies of scale both in development and operation of the accounting system
- Increase market liquidity
- Allow California to meet the legislative requirements of SB 1078

California Energy Action Plan

Draft RPS Timeline -- Dates Not Final CPUC-CEC-IOU Milestones for RPS



For More Information

- Renewables Portfolio Standard
- Integration Cost Analysis Report
- WREGIS

www.energy.ca.gov/portfolio/documents

